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Question1: The greatest ?unintended consequence? of the current farm policy is that it allows the non-farm public access to payments that are intended to support farmers. This access has become an investment opportunity that has pushed land prices up, increased cash rental agreements, and, in some cases, has encouraged landowners/investors to remove tenant farmers from the picture and receive 100% of the direct and counter cyclical payments offered as opposed to the less attractive option of sharing in the rapidly declining farm profit per acre. These effects have continued to weigh on farming?s already thin margins and have created additional challenges to preserving land for agricultural use in addition to urbanization. Plain and simply, farmers have been asked to produce more for less for too long with more financial risk involved. Cash support intended for farmers and agriculture needs to go toward its intended purpose and not elsewhere. New American farmers are already discouraged, and a new generation of farmers will not be able to survive if current trends continue.

Question2: U.S. farm competitiveness in the global arena can be improved by concentrating in two areas: promoting true free trade and working to decrease fertilizer and diesel input costs. Today the U.S. is pointed out for it?s excessive agricultural subsidies when in fact numerous other developed and undeveloped countries subsidize by much larger amounts as a percentage of their trade, impose higher tariffs on imported goods, and manipulate exchange rates to discourage imports into their country and artificially increase exports. If the U.S. is to cut its government farm support without hurting agriculture, other countries will need to be demanded to due the same. U.S. agriculture can compete in a fair global arena, but it cannot compete when other factors come into play that manipulate the true supply/demand equilibrium.

Increasing cost of production are also hurting U.S. competitiveness. The U.S. is currently too dependent upon foreign countries for its oil supply. Biodiesel plants are a valid solution to numerous problems facing the American public as well as agriculture. Additionally, fertilizer cost increases look to continue to cut directly away from the bottom line as domestic production gives way to imported fertilizer and more natural gas is diverted for use in heating homes. Incentives need to be given to those companies to increase agricultural fertilizer production in the U.S. so that farmers are not forced to pay another increasing cost in the form of freight.

Question3: In order for farm policy to be designed more effectively and to more fairly distribute assistance to producers, three things need to occur. First, provisions need to be made to allow for base acreage and payment yield updates more often to account for land changing hands from less efficient producers to more efficient producers, yield increases due to technological advances, and the possibility of a series of below average production years being used to determine a farm?s base yield data. Secondly, payment limitations should be eliminated. The trend in agriculture is to become bigger in order to realize more efficiency and

survive. Margins are narrowing and increased volume is needed to overcome the difference and allow farmers to capture enough income for a modest living. Payment limitations work against this trend toward efficiency and actually give an advantage toward inefficiency. Payment limits are said to aid the family farm, but today's family farm has reached or is quickly approaching a size that puts it at risk for leaving these valuable farm supports on the table due to these same payment limitations. The most efficient producers are the ones that should receive support so that farm program dollars receive the most value per dollar spent regardless of size. Lastly, restrictions should be established that eliminate non-farmers from receiving government support payments. Payments are designed to stabilize net farm income and reduce risk for farmers. They are not designed to create investment income to the landowner who has purchased land that carries a history of agriculture production and no longer serves that purpose. In many cases, this form of payment has actually encouraged the landowner to eliminate the farmer from the picture in order to receive 100% of the payment. An effort needs to be made to rectify the current payment system so that the one that is intended to receive the support gets the money and is not hurt in the process. Significant savings could be realized in support payment totals if payments only went to farmers receiving a significant portion of their income from farming, and crop support payments more realistically represented those crops being produced today and not those produced yesterday.

Question4: The best way to achieve conservation and environmental goals is to continue paying agricultural producers for those practices that are desired. Goals that result in lost revenue or increased cost should be compensated for by the government. Money adds incentive for producers to undertake those practices that are not considered normal production practices. Environmental and conservation goals that are considered good for the producer should be partially compensated by government only if more participation is desired since the producer already realizes some benefit from those types of practices.

Question5: The most effective way to assist rural America is to prevent the rapid spread of urban sprawl into those areas considered prime farmland. Prime farmland is quickly being devoured by everyone's latest desire to own their own little bit of country. Land that is the best drained and most fertile serve agricultural needs the best. This same land, however, also makes beautiful home sites and rural getaways. As populations increase into rural areas, large farms become small, less efficient farms, transportation of large farm equipment on rural roadways becomes more difficult and dangerous, and the problems all these people are moving away from come to the country with them. Prevent urban sprawl, and you protect rural America. Once these farms are sold and divided, they never go back into farmland, and new land cannot be made. One way that government could work to solve this problem is by giving farmers incentive and opportunity to buy land. The traditional options of low or no interest loans or tax breaks could be explored, but a more dynamic approach in which agricultural producers could be compensated with a set per acre amount for buying farmland and keeping it in agricultural production for a designated long-term period could also be explored. This would help farmers combat rising land prices, barriers to entry, and urban sprawl all in one.

Question6: Time and money should be spent to educate the general public on the importance and necessity of agriculture in America. Agriculture and government subsidies are immediately attacked by the media and the non-farm public. Work should be done to improve this image and the media relationship by focusing on the positive aspects that agriculture brings to America. People need to be informed and reminded that subsidies by the government toward agriculture come back to benefit them

in the form of cheaper more reliable food, increased national security, and a healthier industry capable of withstanding adversity and risks while continuing to feed and cloth the nation into the future. With the current difficulties facing agriculture, consumers need to become aware that agriculture will die without some sort of government assistance. This dieing process has already started. The question that the American public needs to answer is whether or not they want agriculture in America, because without assistance, America will be forced to rely on some other nation (one that probably still subsidies its ag economy) for the majority of its food and fiber needs.